

67-19f-101. Title.

This chapter is known as the "State Employees' Annual Leave Program II Trust Fund Act."

Enacted by Chapter 437, 2014 General Session

67-19f-102. Definitions.

As used in this chapter:

- (1) "Annual leave II" is as defined in Section 67-19-14.6.
- (2) "Board of trustees" or "board" means the board of trustees created in Section 67-19f-202.
- (3) "Income" means the revenues received by the state treasurer from investments of the trust fund principal.
- (4) "Trust fund" means the State Employees' Annual Leave Program II Trust Fund created in Section 67-19f-201.

Enacted by Chapter 437, 2014 General Session

67-19f-201. Trust fund -- Creation -- Oversight -- Dissolution.

- (1) There is created a trust fund entitled the "State Employees' Annual Leave Program II Trust Fund."
- (2) The trust fund consists of:
 - (a) ongoing revenue provided from a state agency set aside for accrued annual leave II required under Section 67-19-14.6;
 - (b) appropriations made to the trust fund by the Legislature, if any;
 - (c) income; and
 - (d) revenue received from other sources.
- (3) The Division of Finance shall account for the receipt and expenditures of trust fund money.
- (4)
 - (a) The state treasurer shall invest trust fund money by following the procedures and requirements of Part 3, Investment of Trust Funds.
 - (b)
 - (i) The trust fund shall earn interest.
 - (ii) The state treasurer shall deposit all interest or other income earned from investment of the trust fund back into the trust fund.
- (5) The board of trustees created in Section 67-19f-202 may expend money from the trust fund for:
 - (a) reimbursement to the employer of the costs paid to the trust fund in accordance with Section 67-19-14.6 as annual leave II is used by an employee; and
 - (b) reasonable administrative costs that the board of trustees incurs in performing its duties as trustee of the trust fund.
- (6) The board of trustees shall ensure that:
 - (a) money deposited into the trust fund is expended only for the costs of annual leave II, including any allotted benefits under Subsection 67-19-14.6(4); and
 - (b) assets of the trust fund are dedicated to providing annual leave II established by statute and rule.

Enacted by Chapter 437, 2014 General Session

67-19f-202. Board of trustees of the State Employees' Annual Leave Program II Trust Fund.

(1) (a) There is created a board of trustees of the State Employees' Annual Leave Program II Trust Fund composed of the following three members:

- (i) the state treasurer or the state treasurer's designee;
- (ii) the director of the Division of Finance or the director's designee; and
- (iii) the executive director of the Governor's Office of Management and Budget or the executive director's designee.

(b) The state treasurer is chair of the board.

(c) Three members of the board is a quorum.

(d) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses as allowed in:

- (i) Section 63A-3-106;
- (ii) Section 63A-3-107; and
- (iii) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.

(e) (i) Except as provided in Subsection (1)(e)(ii), the state treasurer shall staff the board of trustees.

(ii) The Division of Finance shall provide accounting services for the trust fund.

(2) The board shall:

(a) on behalf of the state, act as trustee of the trust fund created under Section 67-19f-201 and exercise the state's fiduciary responsibilities;

(b) meet at least twice per year;

(c) review and approve the policies, projections, rules, criteria, procedures, forms, standards, performance goals, and actuarial reports for the trust fund;

(d) review and approve the budget for the trust fund;

(e) review financial records for the trust fund, including trust fund receipts, expenditures, and investments; and

(f) do any other things necessary to perform the state's fiduciary obligations under the trust fund.

(3) The board may:

(a) commission and obtain actuarial studies of the liabilities for the trust fund; and

(b) for purposes of the trust fund, establish labor additive rates to charge for the administrative expenses of the trust fund.

(4) The attorney general shall:

(a) act as legal counsel and provide legal representation to the board of trustees; and

(b) attend, or direct an attorney from the Office of the Attorney General to attend, each meeting of the board of trustees.

Enacted by Chapter 437, 2014 General Session

67-19f-301. Investment of State Employees' Annual Leave Program II Trust

Fund.

(1) The state treasurer shall invest the assets of the trust fund with the primary goal of providing for the stability, income, and growth of the principal.

(2) Nothing in this section requires a specific outcome in investing.

(3) The state treasurer may deduct any administrative costs incurred in managing trust fund assets from earnings before distributing the trust fund assets.

(4) (a) The state treasurer may employ professional asset managers to assist in the investment of assets of the trust fund.

(b) The treasurer may only provide compensation to asset managers from earnings generated by the trust fund's investments.

Enacted by Chapter 437, 2014 General Session

67-19f-302. State treasurer to follow "prudent investor" rule -- Standard of care.

(1) The state treasurer shall invest and manage the trust fund assets as a prudent investor would, by:

(a) considering the purposes, terms, distribution requirements, and other circumstances of the trust fund; and

(b) exercising reasonable care, skill, and caution in order to meet the standard of care of a prudent investor.

(2) In determining whether the state treasurer has met the standard of care of a prudent investor, the judge or finder of fact shall:

(a) consider the state treasurer's actions in light of the facts and circumstances existing at the time of the investment decision or action, and not by hindsight; and

(b) evaluate the state treasurer's investment and management decisions respecting individual assets:

(i) not in isolation, but in the context of the trust fund portfolio as a whole; and

(ii) as a part of an overall investment strategy that has risk and return objectives reasonably suited to the trust fund.

Enacted by Chapter 437, 2014 General Session